

**CITY OF BISMARCK EMPLOYEES PENSION FUND**  
**INVESTMENT PERFORMANCE REPORT AS OF SEPTEMBER 30, 2003**

	September-03					August-03				July-03				Current	Prior Year	3 Years	5 Years	
	Allocation		Quarter	Month		Allocation		Month		Allocation		Month		Fiscal YTD	FY03	Ended	Ended	
	Market Value	Actual	Policy	Net ROR	Net ROR	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Net ROR	Net ROR	6/30/2003	6/30/2003	
LARGE CAP DOMESTIC EQUITY																		
Structured Growth																		
LA Capital	1,191,943	5.0%	5.1%	N/A	-1.83%	1,212,231	5.2%	5.1%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A	
AllianceBernstein	-	0.0%	0.0%	N/A	N/A	1	0.0%	0.0%	N/A	578,117	2.5%	2.6%	3.55%	N/A	-1.48%	-20.46%	-5.64%	
Total Structured Growth	1,191,943	5.0%	5.1%	6.61%	-1.83%	1,212,232	5.2%	5.1%	4.88%	578,117	2.5%	2.6%	3.55%	6.61%	-1.48%	-20.46%	-5.64%	
Russell 1000 Growth				3.92%	-1.07%				2.49%				2.49%	3.92%	2.93%	-21.55%	-5.04%	
Structured Value																		
LSV	1,244,918	5.3%	5.1%	3.33%	-0.97%	1,251,868	5.3%	5.1%	3.10%	1,214,998	5.3%	5.1%	1.20%	3.33%	-2.05%	9.06%	3.95%	
Russell 1000 Value				2.06%	-0.98%				1.56%				1.49%	2.06%	-1.02%	-2.19%	-0.17%	
Enhanced Russell 1000 Index																		
LA Capital	1,204,786	5.1%	5.1%	2.87%	-1.14%	1,217,081	5.2%	5.1%	2.41%	1,188,097	5.1%	5.1%	1.61%	2.87%	1.08%	N/A	N/A	
Russell 1000				3.00%	-1.02%				2.03%				1.99%	3.00%	0.96%	N/A	N/A	
Enhanced S&P 500 Index																		
Northern Trust	1,133,812	4.8%	5.1%	2.50%	-1.08%	1,144,764	4.9%	5.1%	1.86%	1,123,637	4.9%	5.1%	1.73%	2.50%	0.28%	N/A	N/A	
Strong	1,165,628	4.9%	5.1%	2.89%	-0.72%	1,172,527	5.0%	5.1%	2.28%	1,146,758	5.0%	5.1%	1.33%	2.89%	3.30%	N/A	N/A	
Westridge	1,237,505	5.2%	5.1%	2.65%	-1.05%	1,303,264	5.5%	5.1%	1.94%	1,279,114	5.5%	5.1%	1.77%	2.65%	0.56%	N/A	N/A	
Total Enhanced S&P 500 Index	3,536,945	15.0%	15.4%	2.68%	-0.96%	3,620,554	15.4%	15.4%	2.02%	3,549,509	15.4%	15.4%	1.61%	2.68%	1.35%	N/A	N/A	
S&P 500				2.64%	-1.06%				1.95%				1.76%	2.64%	0.24%	N/A	N/A	
S&P 500 Index																		
State Street	803,500	3.4%	3.4%	2.64%	-1.06%	811,410	3.4%	3.4%	1.94%	1,392,214	6.0%	6.0%	1.77%	2.64%	0.31%	-11.14%	-1.58%	
S&P 500				2.64%	-1.06%				1.95%				1.76%	2.64%	0.24%	-11.20%	-1.61%	
TOTAL LARGE CAP DOMESTIC EQUITY	7,982,093	33.8%	34.3%	3.02%	-1.13%	8,113,145	34.5%	34.3%	2.43%	7,922,936	34.3%	34.3%	1.72%	3.02%	0.49%	-9.68%	-2.32%	
S&P 500				2.64%	-1.06%				1.95%				1.76%	2.64%	0.24%	-11.20%	-1.61%	
SMALL CAP DOMESTIC EQUITY																		
Manager-of-Managers																		
SEI	2,778,741	11.8%	10.7%	9.68%	-1.40%	3,018,273	12.8%	10.7%	4.83%	2,878,475	12.5%	10.7%	6.11%	9.68%	0.68%	N/A	N/A	
Russell 2000 + 200bp				9.60%	-1.68%				4.75%				6.43%	9.60%	0.37%	N/A	N/A	
TOTAL SMALL CAP DOMESTIC EQUITY	2,778,741	11.8%	10.7%	9.68%	-1.40%	3,018,273	12.8%	10.7%	4.83%	2,878,475	12.5%	10.7%	6.11%	9.68%	0.68%	-3.37%	-0.65%	
Russell 2000				9.07%	-1.85%				4.58%				6.26%	9.07%	-1.64%	-3.30%	0.97%	
INTERNATIONAL EQUITY																		
Large Cap - Core																		
State Street	153,377	0.6%	0.6%	6.08%	-0.09%	154,503	0.7%	0.6%	3.19%	149,704	0.6%	0.6%	2.91%	6.08%	-9.96%	-13.28%	-4.72%	
MSCI EAFE - 50% Hedged				6.58%	0.41%				2.77%				3.28%	6.58%	-11.24%	-14.65%	-4.18%	
Large Cap - Active																		
Capital Guardian	373,033	1.6%	1.5%	7.45%	-0.29%	376,455	1.6%	1.5%	3.23%	364,514	1.6%	1.5%	4.39%	7.45%	-11.30%	-14.96%	0.47%	
Bank of Ireland	70,979	0.3%	0.3%	2.64%	1.95%	70,039	0.3%	0.3%	-0.25%	70,286	0.3%	0.3%	0.94%	2.64%	-10.28%	N/A	N/A	
Total Large Cap - Active	444,012	1.9%	1.8%	6.65%	0.06%	446,494	1.9%	1.8%	2.67%	434,800	1.9%	1.8%	3.82%	6.65%	-11.12%	-14.58%	0.74%	
MSCI EAFE - 50% Hedged				6.58%	0.41%				2.77%				3.28%	6.58%	-11.24%	-14.65%	-4.18%	
Small Cap - Active																		
Lazard	81,332	0.3%	0.3%	10.66%	5.60%	80,373	0.3%	0.3%	3.26%	77,915	0.3%	0.3%	1.48%	10.66%	-2.32%	N/A	N/A	
Wellington	85,327	0.4%	0.3%	17.22%	7.06%	80,349	0.3%	0.3%	4.71%	76,680	0.3%	0.3%	4.57%	17.22%	5.97%	N/A	N/A	
Total Small Cap - Active	166,659	0.7%	0.6%	13.94%	6.33%	160,721	0.7%	0.6%	3.98%	154,595	0.7%	0.6%	3.06%	13.94%	1.75%	N/A	N/A	
Citigroup Broad Market Index < \$2BN				15.95%	5.70%				6.30%				3.20%	15.95%	3.91%	N/A	N/A	
TOTAL INTERNATIONAL EQUITY	764,048	3.2%	3.0%	8.04%	1.33%	761,718	3.2%	3.0%	3.05%	739,099	3.2%	3.0%	3.47%	8.04%	-8.22%	-12.63%	-0.99%	
MSCI EAFE - 50% Hedged				6.58%	0.41%				2.77%				3.28%	6.58%	-11.24%	-14.65%	-4.18%	
EMERGING MARKETS EQUITY																		
Capital Guardian	419,608	1.8%	1.5%	14.62%	1.99%	411,423	1.7%	1.5%	6.39%	386,713	1.7%	1.5%	5.63%	14.62%	7.15%	-10.61%	1.62%	
MSCI Emerging Markets Free				14.23%	0.73%				6.71%				6.26%	14.23%	6.96%	-7.07%	2.49%	
DOMESTIC FIXED INCOME																		
Core Bond																		
Western Asset	1,205,418	5.1%	5.1%	-0.47%	3.29%	1,084,896	4.6%	5.0%	1.30%	1,071,576	4.6%	5.0%	-4.88%	-0.47%	13.42%	11.88%	8.58%	
Lehman Aggregate				-0.15%	2.65%				0.66%				-3.36%	-0.15%	10.39%	10.07%	7.54%	
Active Duration																		
WestAM (Criterion)	1,191,442	5.0%	5.1%	-0.40%	2.91%	1,075,183	4.6%	5.0%	0.59%	1,069,551	4.6%	5.0%	-3.78%	-0.40%	9.93%	9.39%	6.85%	
Lehman Aggregate				-0.15%	2.65%				0.66%				-3.36%	-0.15%	10.39%	10.07%	7.54%	
Index																		
Bank of ND	1,914,207	8.1%	8.8%	-0.73%	3.15%	1,774,601	7.5%	8.7%	0.55%	1,761,706	7.6%	8.7%	-4.28%	-0.73%	12.59%	11.06%	7.79%	
Bank of ND Match Loan CD Program	292,841	1.2%	1.2%	1.43%	0.47%	298,734	1.3%	1.3%	0.48%	299,134	1.3%	1.3%	0.48%	1.43%	5.83%	5.84%	5.85%	
Total Index	2,207,047	9.3%	10.0%	-0.21%	2.49%	2,073,335	8.8%	10.0%	0.53%	2,060,840	8.9%	10.0%	-3.15%	-0.21%	10.77%	10.08%	7.44%	
Lehman Gov/Credit				-0.50%	3.17%				0.66%				-4.19%	-0.50%	13.15%	10.82%	7.83%	

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	Allocation		Quarter	Month	Net ROR	Allocation		Month	Net ROR	Allocation		Month	Net ROR	Fiscal YTD	FY03	Ended	Ended
	Market Value	Actual	Policy	Net ROR		Market Value	Actual	Policy		Net ROR	Market Value	Actual		Policy	Net ROR	Net ROR	Net ROR
Convertibles																	
TCW	1,226,445	5.2%	5.1%	1.84%	0.17%	1,244,223	5.3%	5.0%	0.93%	1,232,633	5.3%	5.0%	0.75%	1.84%	10.37%	-9.08%	N/A
First Boston Convertible Index				2.67%	0.56%				1.64%				0.45%	2.67%	15.35%	-3.81%	N/A
BBB Average Quality																	
Strong	1,216,038	5.1%	5.1%	0.16%	3.97%	1,116,092	4.7%	5.0%	1.02%	1,105,363	4.8%	5.0%	-4.64%	0.16%	14.81%	10.35%	N/A
Lehman BBB				0.27%	3.97%				0.98%				-4.49%	0.27%	18.33%	9.91%	N/A
Timberland																	
Evergreen (Wachovia)	2,246,346	9.5%	9.5%	-0.15%	-0.05%	2,310,468	9.8%	9.8%	-0.05%	2,310,921	10.0%	10.0%	-0.05%	-0.15%	12.50%	N/A	N/A
																N/A	N/A
TOTAL DOMESTIC FIXED INCOME	9,292,738	39.3%	40.0%	0.11%	1.90%	8,904,196	37.9%	40.0%	0.59%	8,850,884	38.4%	40.0%	-2.34%	0.11%	11.62%	6.95%	6.77%
Lehman Aggregate				-0.15%	2.65%				0.66%				-3.36%	-0.15%	10.39%	10.07%	7.54%
HIGH YIELD BONDS																	
Western Asset	805,871	3.4%	3.5%	1.99%	2.25%	788,147	3.4%	3.5%	1.56%	776,054	3.4%	3.5%	-1.79%	1.99%	20.04%	2.51%	4.15%
Lehman High Yield Bond Index				2.77%	2.73%				1.15%				-1.10%	2.77%	22.77%	5.44%	2.66%
INTERNATIONAL FIXED INCOME																	
International Sovereign																	
UBS Global (Brinson)	224,105	0.9%	1.0%	3.18%	6.41%	210,537	0.9%	1.0%	-0.54%	211,920	0.9%	1.0%	-2.51%	3.18%	18.20%	8.47%	5.93%
Citigroup Non-US Gov't Bond Index (1)				2.75%	6.38%				-0.85%				-2.59%	2.75%	17.91%	8.10%	6.29%
International Core																	
Brandywine	219,329	0.9%	1.0%	1.51%	5.26%	208,297	0.9%	1.0%	-1.05%	210,422	0.9%	1.0%	-2.54%	1.51%	N/A	N/A	N/A
Lehman Global Aggregate (ex-US)				2.76%	6.45%				-0.90%				-2.59%	2.76%	N/A	N/A	N/A
TOTAL INTERNATIONAL FIXED INCOME	443,434	1.9%	2.0%	2.34%	5.84%	418,834	1.8%	2.0%	-0.80%	422,342	1.8%	2.0%	-2.52%	2.34%	17.83%	8.36%	5.86%
Citigroup Non-US Gov't Bond Index (1)				2.75%	6.38%				-0.85%				-2.59%	2.75%	17.91%	8.10%	6.29%
REAL ESTATE																	
J.P. Morgan	665,609	2.8%	3.0%	2.43%	0.99%	659,063	2.8%	3.0%	0.95%	652,860	2.8%	3.0%	0.46%	2.43%	7.80%	7.36%	10.23%
NCREIF TOTAL INDEX				2.09%	0.69%				0.69%				0.69%	2.09%	7.64%	8.51%	10.16%
ALTERNATIVE INVESTMENTS																	
Coral Partners V	40,837			-6.88%	0.00%	42,174			0.00%	42,174			-6.88%	-6.88%	-22.52%	-20.83%	-9.87%
Coral Partners V - Supplemental	2,124			-15.67%	0.00%	2,194			0.00%	2,194			-15.67%	-15.67%	-28.36%	N/A	N/A
Coral Partners VI	6,647			-12.18%	0.00%	6,865			0.00%	6,865			-12.18%	-12.18%	N/A	N/A	N/A
Brinson 1998 Partnership Fund	7,453			4.07%	4.07%	7,396			0.00%	7,396			0.00%	4.07%	-14.73%	-11.35%	1.31%
Brinson 1999 Partnership Fund	9,208			0.98%	0.98%	9,417			0.00%	9,417			0.00%	0.98%	-16.31%	-14.42%	N/A
Brinson 2000 Partnership Fund	14,805			0.67%	0.67%	15,187			0.00%	15,187			0.00%	0.67%	-13.99%	-9.08%	N/A
Brinson 2001 Partnership Fund	5,095			0.43%	0.43%	5,240			0.00%	5,240			0.00%	0.43%	-5.98%	N/A	N/A
Brinson 2002 Partnership Fund	3,448			12.21%	12.21%	3,173			0.00%	3,173			0.00%	12.21%	9.08%	N/A	N/A
Brinson 2003 Partnership Fund	334			-3.58%	-3.58%	358			0.00%	358			0.00%	-3.58%	N/A	N/A	N/A
Brinson 1999 Non-US Partnership Fund	5,042			6.32%	6.32%	5,149			0.00%	5,149			0.00%	6.32%	13.12%	2.21%	N/A
Brinson 2000 Non-US Partnership Fund	6,204			2.82%	2.82%	4,962			0.00%	4,962			0.00%	2.82%	9.50%	-1.63%	N/A
Brinson 2001 Non-US Partnership Fund	3,388			7.50%	7.50%	3,255			0.00%	3,255			0.00%	7.50%	-0.41%	N/A	N/A
Brinson 2002 Non-US Partnership Fund	4,688			3.71%	3.71%	4,668			0.00%	4,668			0.00%	3.71%	5.34%	N/A	N/A
Brinson 2003 Non-US Partnership Fund	305			-0.05%	-0.05%	315			0.00%	315			0.00%	-0.05%	N/A	N/A	N/A
Brinson BVCF IV	24,608			-1.02%	0.00%	25,414			0.00%	25,414			-1.02%	-1.02%	-14.64%	-18.80%	N/A
Matlin Patterson Global Opportunities	50,027			0.00%	0.00%	51,665			0.00%	51,665			0.00%	0.00%	N/A	N/A	N/A
InvestAmerica	7,031			0.00%	0.00%	3,389			0.00%	3,389			0.00%	0.00%	-12.50%	N/A	N/A
Hearthstone MSII	9,503			5.06%	5.06%	13,004			0.00%	13,005			0.00%	5.06%	28.98%	13.57%	N/A
Hearthstone MSIII	1,187			N/A	N/A	-			N/A	-			N/A	N/A	N/A	N/A	N/A
TOTAL ALTERNATIVE INVESTMENTS (2)	201,935	0.9%	1.0%	-1.01%	1.19%	203,824	0.9%	1.0%	0.00%	203,824	0.9%	1.0%	-2.17%	-1.01%	-9.78%	-11.48%	-6.74%
CASH EQUIVALENTS																	
Northern Trust STIF/STEP	290,597	1.2%	1.0%	0.35%	0.13%	243,083	1.0%	1.0%	0.11%	241,247	1.0%	1.0%	0.11%	0.35%	1.84%	3.33%	4.22%
90 Day T-Bill				0.25%	0.10%				0.08%				0.07%	0.25%	1.52%	3.33%	4.07%
TOTAL FUND	23,644,673	100.0%	100.0%	2.91%	0.48%	23,521,708	100.0%	100.0%	1.94%	23,074,435	100.0%	100.0%	0.47%	2.91%	6.14%	-0.87%	2.85%
POLICY TARGET BENCHMARK				2.47%	0.78%				1.65%				0.03%	2.47%	5.65%	-0.08%	3.59%

**NOTE: Monthly returns and market values are preliminary and subject to change.**

(1) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.